

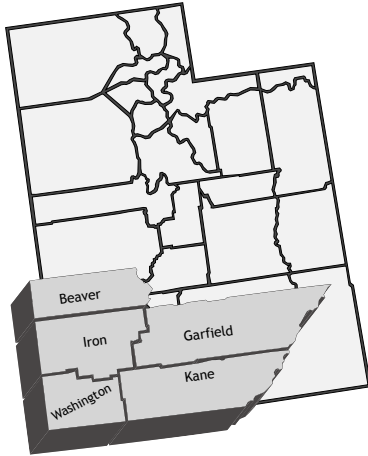
Workforce News



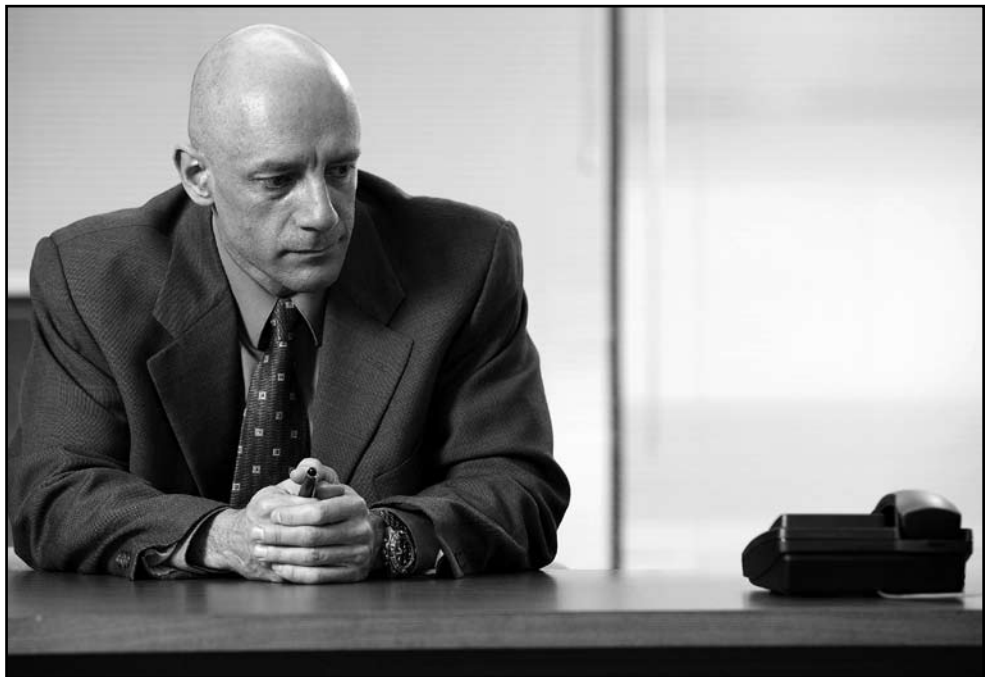
A quarterly publication of the Department of Workforce Services: issued March 2009

Southwest: Beaver, Garfield, Iron, Kane, Washington

jobs.utah.gov



Has your County Joined the National Recession?



Inside:

- › **Beaver:** Still adding jobs
- › **Garfield:** What recession?
- › **Iron:** Losses bottoming out?
- › **Kane:** Holding steady
- › **Washington:** Construction losses dominate



Contact the author, your regional economist, with any questions on content:

Lecia Parks Langston
435-688-3115
lecialangston@utah.gov

Harry Truman once said, "It's a recession when your neighbor loses his job; it's a depression when you lose yours." That's not a terribly precise measure. And, in fact, there is no clear-cut measure of recession. Nationally, the National Bureau of Economic Research (NBER) is considered the official arbiter of recessions, but has no fixed formula. Despite what you read in the financial press, two consecutive quarters of declining Gross Domestic Product (GDP) does not a recession make. The NBER recently marked the beginning of the current U.S. recession as December 2007, and the U.S. has yet to see two consecutive quarters of declining real GDP.

(continued)

Subscribe to this newsletter and other information: go to <http://jobs.utah.gov/wi>, then click on "sign up" in third box

National Recession? (continued)

For counties, figuring out if you're part of the recession becomes even more problematic. Little data is available, and gross product is estimated on an experimental and untimely basis, and only for very large counties.

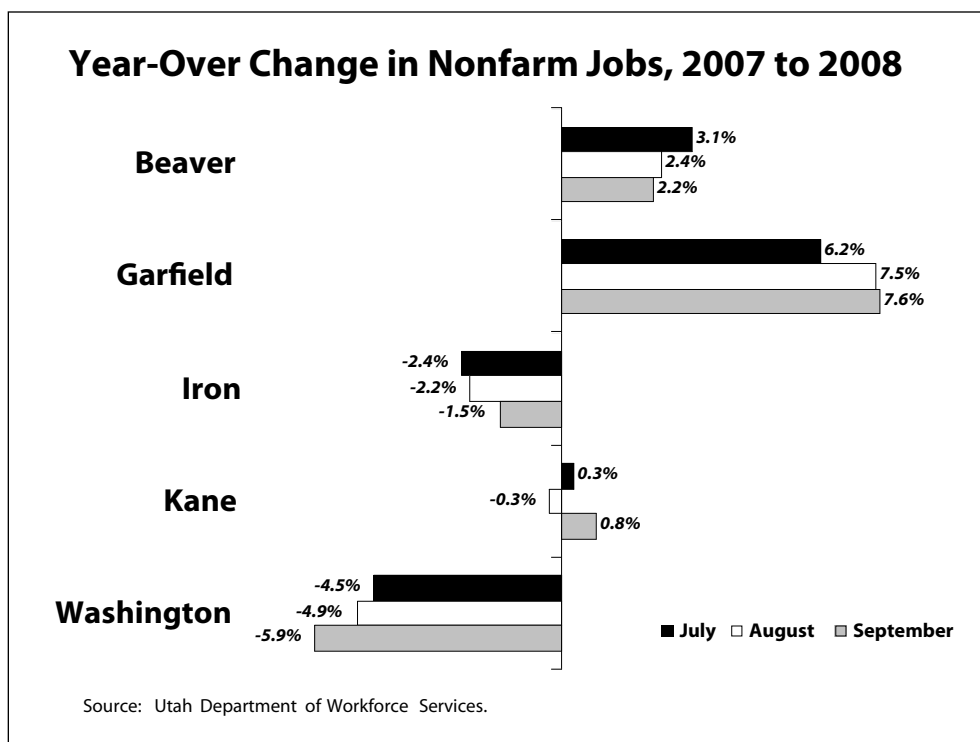
The "Not-So-Secret" Formula

However, tracking monthly year-over percent changes in U.S. non-farm payroll jobs and past recessionary periods in the post WWII era clearly shows that when the rate of year-over job growth trends downward and eventually leads to job loss, we're in a recession—always. A "year-over" percent change merely equals the percent change between one month's employment and the same month a year earlier.

Fortunately, this data is available at the county level. Unfortunately, it takes time to collect, tabulate, and examine this data. In addition, small counties may show rather erratic job growth patterns. However, in my opinion, the year-over percent change in nonfarm jobs still provides the best indicator of expansion and recession.

Has Your County Joined the Recession?

What does the data suggest for your county? The chart that accompanies this article shows the



year-over change in nonfarm jobs for the third quarter of 2008—the most current data available.

First the good news. . . Garfield County seems completely and totally oblivious of the national recession. A cheap dollar seems to have spurred tourism activity -especially international- which is Garfield County's bread and butter. Year-to-year employment gains reached almost 8 percent in September 2008. In addition, Beaver County showed moderate employment expansion in third quarter.

On the other side of the recessionary coin, Washington County showed

ever-increasing job losses in the third quarter as the result of the speculative housing market's collapse. Employment declines hit almost 6 percent in September. Washington County probably entered the recessionary fray in mid-2007. Iron County also shows employment declines coincident with recession. However, Iron County's job losses may have bottomed out—if the national economy doesn't spur more manufacturing hits. Kane County currently is hovering between job loss and job gain—recession or no recession. **WFN**

For more information about your county:
<http://jobs.utah.gov/countyinfo>.

County News

Beaver County

Beaver County continues to experience job creation rather than destruction. Moreover, the county's unemployment rate remains very low—only 3.2 percent in November 2008.

Between September 2007 and September 2008, Beaver County generated almost 50 new jobs for a growth rate of 2.2 percent. That's not stellar expansion—but represents a far healthier economy than those of the counties that are rapidly shedding employment. In addition, covered agriculture increased by 35 positions—employment not included in the nonfarm job totals.

Despite continued job growth, Beaver County's construction and manufacturing industries have felt recessionary pressures. Both are displaying double-digit percentage declines. On the other hand, wholesale trade, leisure/hospitality services, and the public sector managed to generate enough employment to counteract the goods-producing industry declines.

Unlike many counties, Beaver County construction permitting activity remained strong during the first 11 months of 2008. However, a more than doubling in total permit values can be traced almost entirely to the permitting of the geothermal power plant. In addition, recession reared its ugly head in Beaver County's 12-percent decline in year-over third quarter 2008 taxable sales.

Garfield County

"Recession? What recession?" Garfield County might quip. It might be hard to feel other county's economic pain with a year-to-year job gain of almost 8 percent in September 2008. This annual gain of 200 positions continues Garfield County's pattern of rapid expansion during the past two years. A weak dollar seems to have attracted the tourism activity that is Garfield County's forte.

Indeed, the leisure/hospitality services industry created the lion's share of new jobs. Additionally, retail trade, private healthcare, and the public sector all produced noticeable numbers of new jobs. Construction and manufacturing did experience recessionary pressures—both posted notable declines.

Tourism also kept Garfield County out of the construction blues rut so common elsewhere. Overall, permitted construction values are up 44 percent for the first 11 months of 2008. Again, tourist-related construction is at the heart of this gain. Home permits dropped dramatically. The county's third quarter 2008 gross taxable sales also benefited from increased tourism, with a 12-percent year-to-year increase.

Iron County

Recession hit Iron County earlier than most. The county has been showing employment losses since mid-2007. However, the most recent quarter of data may suggest that the county's slide has hit bottom. While the county continued to lose employment in the third quarter of 2008, the losses have moderated. Between September 2007 and September 2008, Iron County lost about 250 jobs—down 1.5 percent. The largest year-to-year decline occurred in June 2008. While the county's manufacturing industry remains very vulnerable to the national downturn, the employment numbers appear to be improving.

In September 2008, the construction industry continued to show the highest job losses. In addition, manufacturing, wholesale trade, and retail trade all took employment hits. However, professional/business services, health/social services, other services and the public sector all managed notable employment gains.

Construction permitting has yet to improve and third quarter 2008 gross taxable sales are down 11 percent from

(continued)

2007. Total authorized construction values for the first 11 months of the year are down almost 60 percent. Nevertheless, in the last few months, declines in the residential market also appear to be bottoming out, paving the path for declining inventories in the months ahead.

Kane County

After six months of job loss, Kane County appears to be flirting with recovery. In two of three months in the third quarter of 2008, Kane County managed job gains—even though those gains proved rather anemic. September's performance proved the best of the lot with a year-over gain of nearly 1 percent (up 30 jobs).

Like most areas, Kane County's construction and manufacturing industries have taken the brunt of recessionary blows. Employment in both these industries has dropped dramatically since 2007. In addition, retail trade took a noticeable employment hit.

A weak dollar seems to have boosted Kane County's tourism employment. Employment in the leisure/hospitality industry made a double-digit jump. In addition, healthcare/social services and other services helped pump up employment levels.

Construction activity also plummeted in Kane County. Compared to 2007, the first 11 months of 2008 showed a 74-percent decline in permitted construction values. However, like Garfield County, Kane County showed a

strong double-digit increase in gross taxable sales.

Washington County

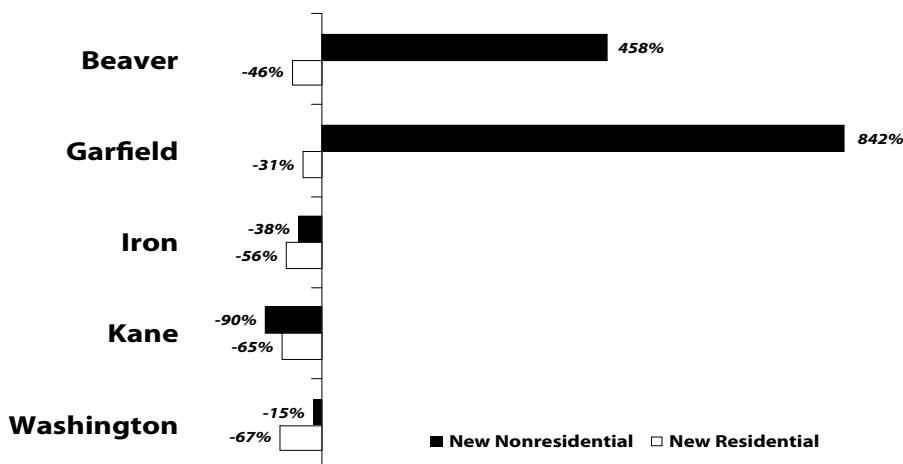
Washington County continued to shed employment during the third quarter of 2008 as a result of the collapse in construction activity precipitated by rampant speculation. Between September 2007 and September 2008, Washington County lost 3,200 jobs—the vast majority in the construction industry.

Evidence shows the current downturn has spread to other industries. Manufacturing, retail trade, financial activities, professional/business services, leisure/hospitality services all have experienced substantial employment losses. In fact, only healthcare/social services and the public sector managed any job gains of note.

Construction permitting activity during 2008 continued to dive. Compared with 2007, authorized construction values for the first 11 months of 2008 are down a whopping 48 percent. The declines do seem to have slowed during the past few months, providing one glimmer of hope for the months ahead. In addition, construction of the new airport might provide a slight reprieve—public projects are typically not permitted and are, therefore, not included in the totals. **WFN**

For a more information about these counties, see: <http://jobs.utah.gov/countyinfo>.

Change in Construction Permitting Values January-November 2007 to January-November 2008



Source: Utah Department of Workforce Services.

Quick Facts

December 2008-Rate and Percentage Point Change from Previous Year

Unadjusted Unemployment Rate

	Rate	Change
Beaver County	3.2%	0.7
Garfield County	6.1%	0.0
Iron County	4.3%	1.4
Kane County	4.5%	1.1
Washington County	5.3%	2.2
Utah	3.7%	0.9
U.S.	6.7%	2.0

September 2008 Change from Previous Year

Job Growth

Beaver County	2.2%
Garfield County	7.6%
Iron County	-1.5%
Kane County	0.8%
Washington County	-5.9%
Utah	-0.1%
U.S.	-0.5%

January-November 2008 Change from Previous Year

Permitted Construction Values

Beaver County	115.4%
Garfield County	43.6%
Iron County	-67.2%
Kane County	-73.5%
Washington County	-48.1%
Utah	-37.3%

3rd Quarter 2008 Change from Previous Year

Sales

Beaver County	-11.6%
Garfield County	12.2%
Iron County	-11.3%
Kane County	18.2%
Washington County	-15.6%
Utah	-6.6%

Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

What's Up?

Raser Technologies Inc. marked the completion of a 10-megawatt geothermal power plant with a ribbon-cutting ceremony at the Beaver County facility located in Thermo. The cost of the project was about \$50 million.
—*The Deseret News*

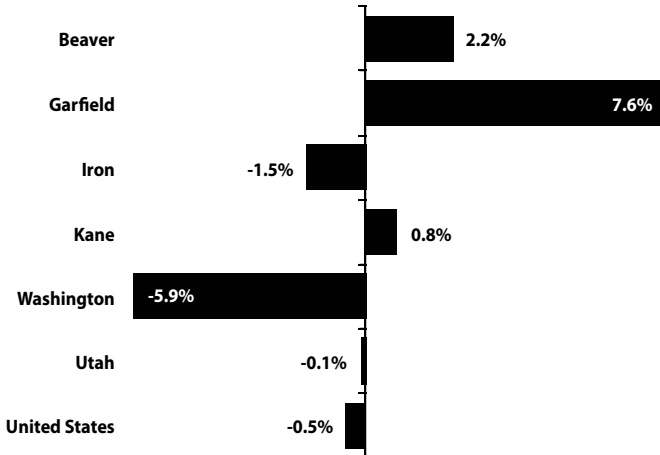
Toronto-based **Denison Mines Corp.** shut down the Tony mine in southern Utah due to slumping uranium price. The Tony mine, eight miles from Ticaboo, first opened in the 1980s and has an on-again, off-again history.
—*The Deseret News*

Voters in **Cedar City** decided to take the plunge and approve \$7 million in borrowing for an aquatic center. **Iron County** and the county's school district will help pay for the \$9.5 million center.
—*The Deseret News*

CHECK IT OUT

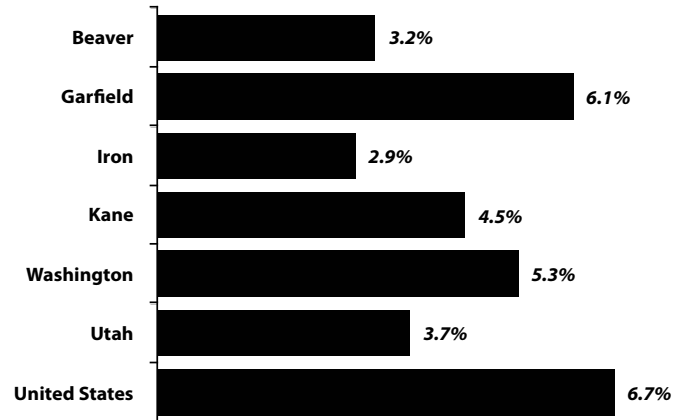
For a more detailed economic analysis, see:
<http://jobs.utah.gov/wi/regions/western/pubs/southwestperspective.pdf>.

Percent Change in Nonfarm Jobs September 2007 to September 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Seasonally Adjusted Unemployment Rates November 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

03-51SW-0309